## FINANCIAL SECRETARIAT.

*No. Fl.* 6783—*Ex.* 67-31, *dated 1st March* 1932.

Tenders in the form hereto appended are hereby invited for the exclusive privilege of the *Manufacture of Arrack and other Country Spirits* for supply to the territories of Mysore, for a period of two years from 1st July 1932 to 30th June 1934.

2. The contract for the Civil and Military Station of Bangalore is included in this contract with the permission of the Hon'ble the Resident in Mysore.

3. The privilege for which tenders are now invited will be conceded, subject to the conditions specified in para 8 of this notification and to the Excise Laws passed by the Government and the rules in force in Mysore and to the Excise Law in force for the time being within the Civil and Military Station of Bangalore.

4. The quantity of arrack required is estimated at about 32,000 gallons a month, the quantity actually issued from the Bangalore Central Distillery in the year 1930-31 having been 2,84,000 gallons. No quantity is, however, guaranteed to the contractor, who is bound by actual requirements, be the same more or less than the estimated quantity.

5. Tenderers must specify the lowest rate per gallon of 35° U. P. separately for sugarcane jaggory arrack and for molasses arrack as also per gallon of the marginally noted kinds of liquors, at which they offer to supply during the whole period of the contract. They should also quote rates separately for bottling in quart and pint bottles and for packing the marginally noted kinds of liquors.

| | | |
|---|---|---|
| 1. | Brandy | .. 20° U P. |
| 2 | Whisky | .. ,, |
| 3. | Gin | .. ,, |
| 4. | Rum | .. ,, |
| 5. | Milk punch | .. 16° ,, |
| 6. | Bottle Jaggory Arrack | 35° U P. |
| 7. | Proof Liquor | .. ——— |
| 8. | Denatured Spirits | .. 50° O.P. |
| 9. | D. D. Rum | .. 25° U.P. |

6. Each tender must be accompanied by a deposit of Rs. 5,000 in cash or in Government securities, of equivalent value, duly endorsed in favour of "The Comptroller, Mysore Government," and enclosed in a cover superscribed with the words "Tender for the exclusive privilege of the Manufacture of Country Spirits," and must be sent to the Excise Commissioner at Bangalore, so as to reach him before noon on Saturday, the 19th March 1932, after which date no tender will be received. The tenders will be opened by the Excise Commissioner at his office in Bangalore at 12 o'clock noon on the 19th March 1932, in the presence of such of the applicants as may be present. The final disposal of tenders will rest with the Government, who reserve to themselves full power to reject any or all of the tenders without assigning any reason. The deposits made by the applicants whose tenders are rejected will be returned to them on their application.

7. The applicant whose tender may be finally accepted by the Government, shall, within eight days of the acceptance of his tender being communicated to him, deposit at the State Huzur Treasury, Bangalore, a further sum in cash, or Government securities which shall be accepted at the market value, duly endorsed in favour of "The Comptroller, Mysore Government," to make up with the deposit previously made, the sum of Seventy-five thousand rupees, and shall execute an agreement in the form prescribed on proper stamp, binding himself to conform to the conditions hereinafter set forth, and if he fails or refuses to either make the deposit or sign the agreement required within such period, the deposit already made by him will be forfeited to Government, and the contract otherwise disposed of.

8. The contract for which tenders are now invited shall be subject to the following conditions, namely:—

(1) The contractor shall manufacture arrack and other country spirits within the enclosure of the Government Central Distillery, near Bangalore, or at such other place as may be approved by Government. For the use of the Distillery buildings near Bangalore and also for the arrangements existing in connection with the water supply, the contractor shall pay such rent to Government as may be fixed by the Chief Engineer from time to time, which will include the interest and depreciation charges for the installation of electric lights made to the distillery building. The rent at present is Rs. 1,174 per mensem.

(2) Such improvement or addition to the said buildings, or water supply or electric lighting and power as may be approved by Government will be carried out at Government cost subject to the payment by the contractor of such additional rent or rate as may be fixed by Government, and such repairs to the distillery buildings and channels as may be pointed out by the Executive Engineer shall also be promptly executed by the contractor provided the annual cost of such repairs does not exceed Rs. 50.

(3) The recurring monthly charges consisting of the cost of the electric power consumed and depreciation charges at 5 per cent of the initial cost shall be borne by Government and the contractor proportionately for the portions of the buildings in the occupation of each. The cost of the renewal of lamps, bulbs, etc., shall be borne by the contractor in the portion of the building occupied by him.

(4) Plant and machinery necessary for the manufacture of liquors in the Distillery which is the property of Government will be let out to the contractor who should pay hir at a rate of 12½ per cent per annum based on the valuation of the said plant and machinery. The hire on the plant and machinery as it stood on 1st July 1931 was Rs. 1,020-12-0 per mensem. Such improvements, additions or renewals as may be approved by the Excise Commissioner will be carried out at Government cost and the sums added to the original

## FINANCIAL SECRETARIAT.

*No. Fl.* 6783—*Ex.* 67-31, *dated 1st March* 1932. 662

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| | | |
|---|---|---|
| 1. | Brandy .. .. | 20° U P. |
| 2 | Whisky .. .. | ,, |
| 3. | Gin .. .. | ,, |
| 4. | Rum .. .. | ,, |
| 5. | Milk punch .. | 15° ,, |
| 6. | Bottle Jaggery Arrack | 35° U P. |
| 7. | Proof Liquor .. | ——— |
| 8. | Denatured Spirits .. | 50° O.P. |
| 9. | D. D. Rum .. | 25° U.P. |

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(4) Plant and machinery necessary for the manufacture of liquors in the Distillery which is the property of Government will be let out to the contractor who should pay hir at a rate of 12½ per cent per annum based on the valuation of the said plant and machinery. The hire on the plant and machinery as it stood on 1st July 1931 was Rs. 1,020-12-0 per mensem. Such improvements, additions or renewals as may be approved by the Excise Commissioner will be carried out at Government cost and the same added to the original value of the stock and block and machinery subject to the payment by the contractor of

additional hire as may be fixed by the Excise Commissioner at the rate as aforesaid. The decision of the Excise Commissioner as regards the valuation and the amount of hire payable thereon is final.

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(5) The contractor is bound to take all reasonable care of the plant, machinery, etc., entrusted to him and hand them over correctly to Government at the termination of his contract. He should maintain a sufficient technical establishment to the satisfaction of the Excise Commissioner to look after the machinery, etc., entrusted to him and to see that it is kept in proper working order. The details of such establishment should be reported to the Excise Commissioner through the Distillery Officer. When any machinery or plant gets out of order due to the negligent or careless handling by his employees or is damaged or lost, it should be immediatly rectified and part or parts thereof replaced at the cost of the contractor. If he fails to do so, he will be liable to make good the loss caused thereby. The Excise Commissioner will be the final authority to decide whether or not any machinery is lost or damaged on account of the contractor's negligence or by any of his employees and what amount should be recovered from him. Additions and replacements other than those due to the neglect of the contractor will be attended to by Government, who will be the sole judges as to whether any addition or replacement is necessary or not. The contractor is not entitled to compensation for any loss sustained by him by the delay caused in executing such repairs or by accidental breakage of the machinery. The contractor will be permitted to attend to all ordinary emergent repairs which are incidental to the working of the machinery after obtaining the previous sanction of the Excise Commissioner or any other officer authorised by him when he will be reimbursed for the actual cost incurred by him. The contractor shall be bound by such rules as may be prescribed by the Excise Commissioner from time to time as regards repairs, additions and replacements, the payment of additional hire for such improvements, the custody and use of machinery, etc. He is responsible for the payment of fees for the examination, by the Boiler Inspector, of the Boilers in use, under the Mysore Steam-Boilers and Primemovers' Regulation and the Mysore Boiler Rules.

(6) The contractor shall keep in store at the Central Distillery, ordinarily a supply of ordinary arrack (sufficient for a month's consumption 32,000 gallons), and never less than 25,000 gallons (of admissible spirits) in terms of 35° U. P. and also a month's supply of other kinds of liquors.

(7) The spirits manufactured shall be of good quality and filtered water or distilled water shall be invariably used at the Distillery under the supervision of the Distillery Officer for reducing spirits to the authorised strength. Filtered water shall be supplied by Government and will be under the control of the Distillery Officer. Its use is limited to the reduction of the spirits only. All the raw materials used such as yeast, essences for special liquors, etc., shall be of good quality and be subject to approval by the said officer. No ingredients obnoxious to health or likely to impair the proper flavour of the liquor shall be used in distilling or put into the arrack or other country spirits or special liquors whether before or after they are manufactured. The contractor shall be guided by the instructions that may be issued to him in this matter by the said officer or the Excise Commissioner. The spirits manufactured shall not be adulterated or diluted save by the addition of filtered or distilled water, as the case may be, for the purpose of reducing the strength to the authorised degree.

(8) In outlying tracts where, owing to small consumption or other causes, there is reason to suspect illicit distillation, Government will be at liberty to establish outstills after giving the manufacturers the first refusal of so doing. Government may also permit any person or persons to distil or purchase elsewhere alcohol for industrial or medicinal purposes, if the contractor is unable to supply the same at the same price as that charged in the adjoining British Indian Provinces.

(9) The contractor shall issue at the Government Central Distillery to the Senior Government Officer in charge thereof, such quantity of arrack and other kinds of country spirits as may be indented for by him for supply, (i) to such Bonded Depots and warehouses as Government may, from time to time, establish and maintain within the State; (ii) to such other places or persons or institutions as may be directed by the Excise Commissioner; and (iii) to the Government Excise Warehouse in the Civil and Military Station, Bangalore, in compliance with indents received from the Superintendent of Excise, Civil and Military Station, Bangalore.

(10) Arrack supplied to the Civil and Military Station, Bangalore, will not be paid for in advance, but once in a fortnight on receipt of bills from the contractor to be submitted to the Collector, Civil and Military Station, through the Superintendent of Excise. In the case of issues made to the State, the Distillery Officer will issue a cheque at such intervals as may be prescribed by the Excise Commissioner on the Officer in charge, State Huzur Treasury, Bangalore, to the contractor and in his favour for the value of arrack and other country spirits, if any, issued.

(11) The contractor will supply at the Distillery, denatured spirits on the indents received from the respective licensees and recover the value thereof from the parties direct.

(12) Should the contractor be permitted with the approval of Government at any time during the tenure of his contract, to supply country spirits manufactured in the Central Distillery to Coorg, or any other place outside the limits of the Mysore State, such proportionate cost towards the Distillery Establishment as may be fixed by the Excise Commissioner shall be paid by the contractor.

(13) The bulk of the arrack or spirits required shall always be of the ordinary sort, *i.e.*, sugar-cane jaggery or molasses arrack and the contractor shall be bound to supply such

arrack or spirits at such strength and in such quantities as may be prescribed by the Excise Commissioner; and the rates to be paid shall be calculated proportionately upon the prices of 35° U. P. If to meet the demand for the quantity of molasses arrack prescribed under this clause by the Excise Commissioner, the contractor shall supply sugar-cane jaggory arrack, he will not ordinarily be entitled to claim the higher rate prescribed for jaggory arrack. When, however, the contractor is unable to supply the molasses arrack at any time on account of causes beyond his control and is obliged to supply jaggory arrack instead, he may submit a representation for payment at the higher rate payable for the latter and any such representation will receive due consideration, and the orders of Government fixing the rate shall be final. When arrack is supplied to Bonded Depots at a strength stronger than 35° U. P., payment will be made as if the strength of the arrack was 35° U. P.

(14) The contractor is also bound to manufacture and supply to the licensees special liquors, and other kinds in prescribed bottles (more or less) of 8⅓ drams (6 bottles to a gallon) or pints (12 bottles to a gallon). Except when otherwise required, the bottles containing liquors shall be duly corked, capsuled and sealed and shall also be labelled so as to notify the price of the bottle if required. These should be delivered duly packed in deal wood cases, wired and nailed, as may be ordered by the Excise Commissioner. No bottling or packing charges shall be claimed when supply is made in bulk or in bottles (produced by the licensed shop keepers). The contractor shall take over the stock of proof liquor, special liquors, etc., returned to the Distillery by the Bonded Depots and pay for the same at such rate as may be fixed by the Excise Commissioner.

(15) The contractor shall always keep an adequate supply of such bottles and packing materials, failing which he will be held responsible for any loss that may accrue to Government and to the licensees and shall also be liable to a penalty not exceeding Rs. 100 for each day's deficiency.

(16) The contractor shall have no interest in the retail vend of any country spirits, nor shall he employ as agent or in other capacity in the distillery any such persons having such interests.

(17) The contractor shall submit for the approval of the Excise Commissioner, the names of persons employed by him as Manager and Distillers in the distillery and no person not thus approved shall be permitted to act in these capacities. He will be bound to remove at once, if so ordered, any of his employees who have misbehaved, whose conduct is found to be suspicious, or who is drunk, or riotous or is in illicit possession of liquor.

(18) The contractor should keep the premises of the Distillery always clean and in sanitary condition. He should make his own arrangements for cleaning the premises and removing the ashes from the boiler and the broken bottles, etc, from the Distillery every day.

(19) The contractor, his agent and employees shall be bound to conform to the provisions of the Excise Laws and Rules for the time being in force or which may hereafter be enacted from time to time in the State of Mysore and in the Civil and Military Station of Bangalore and also to the Mysore Factories Regulation. The Mysore Steam Boilers and Prime Movers Regulation and the rules framed thereunder; and he shall see that all his employees give full effect to them.

(20) The out-going contractor shall give, and the in-coming contractor shall take over, any arrack or other country spirits and special liquors not exceeding a month's supply and any articles of stores, such as molasses, fuel, bottles, etc., which may remain as stock in hand on the last day of the expiring contract, the latter paying the former for the same, such value as may be fixed by the Excise Commissioner.

(21) Should the in-coming contractor or the Excise Commissioner so require by at least one week's previous notice in writing, the out-going contractor shall cease preparing "wash" during the last month of his expiring contract and vacate the building so as to admit of the in-coming contractor commencing operations. Should no notice be given, the out-going contractor may continue distilling till the end of his contract after which further distillation by him must cease. The in-coming contractor shall issue arrack and other country spirits and other special liquors from the distillery to the Bonded Depots, if so required by the Excise Commissioner in sufficient time (not exceeding two weeks prior to the commencement of his contract) to have his supplies ready in all Bonded Depots for issue from the 1st July of the year of his contract.

(22) Improvements of a permanent nature to the Distillery Buildings shall be retained and shall not be disturbed except with the approval of the Executive Engineer, Bangalore Division.

(23) In case of breach of any of the above conditions, Government will be at liberty to cancel the contract and to declare the deposit made by the contractor forfeited and also to recover from the defaulting contractor such further loss as may be occasioned by such breach.

(24) The contract shall not be transferable except with the approval of the Government of Mysore.

(25) Government reserve to themselves the power of altering the rates of duty and price, it being distinctly understood that the contractor shall not be entitled to claim any compensation for loss on account of such alteration. Government may also, during the currency of the contract, make alterations in the strength of liquors to be supplied either in regard to the whole contract area or any part thereof, when the rates originally agreed upon will be proportionately altered.

(26) Government also reserve to themselves the right of making use of the Carbonic Acid Gas or other By-products generated in the course of the manufacture of liquor. The addition of a Carbonic Acid Gas plant to the Distillery may be arranged for at any time by agreement between the Government and the contractor or any other person.

(27) All sums due by the contractor to Government under this contract shall be recoverable as arrears of land revenue.

By Order,

B. SREENIVASA IYENGAR,
*Secretary to Government,*
*Financial Department.*

## APPENDIX I.

Table showing the particulars of spirits issued from the Government Central Distillery during the past three years.

| Kind of liquors | Gallons 1928-29 | Gallons 1929-30 | Gallons 1930-31 |
|---|---|---|---|
| Molasses Arrack State ... | 2,75,712 | 2,78,816 | 2,18,288 |
| Do C. & M. Station ... | 68,863 | 64,101 | 50,950 |
| Jaggory Arrack ... ... | 3,535 | 3,225 | 2,327 |
| Special Liquors State ... | 7,137 | 6,479 | 5,903 |
| Do (D. D. Rum) Civil and Military Station. | 1,512 | 1,672 | 2,064 |
| Proof Spirit ... ... ... | ... | 1 | 2 |
| Denatured Spirits State ... | 315 | ... | 126 |
| Total ... | 3,57,074 | 3,54,294 | 2,79,660 |

## APPENDIX II.

FORM OF TENDER.

To

The Excise Commissioner in Mysore, Bangalore.

Sir,

With reference to the Government Notification No. Fl. , dated published in the *Mysore Gazette*, I beg to tender for the exclusive privilege of the *manufacture of arrack and other country spirits* for the territories of Mysore and the Civil and Military Station, Bangalore, for a period of two years from 1st July 1932 to 30th June 1934, subject to the terms and conditions specified in the notification above quoted.

2. I hereby offer to manufacture and supply for the entire period of the contract arrack of the strength of 35° under-proof and special liquors of 20° under proof and other spirits as per particulars below :—

| Arrack | Rate per gallon of 35° under-proof Rs. a. p. |
|---|---|
| Molasses arrack ... ... ... | |
| Sugar-cane jaggory arrack ... ... | |

| Special liquors | Rate per gallon Rs. a. p. | Bottling charges per gallon Quarts | Bottling charges per gallon Pints | Packing charges per gallon |
|---|---|---|---|---|
| Brandy ... 20° U. P. | | | | |
| Whisky ... ... " | | | | |
| Gin ... ... " | | | | |
| Rum ... ... " | | | | |
| Milk punch ... ... 15° U. P. | | | | |
| Proof spirit ... ... ... | | | | |
| Denatured spirits ... 50° O. P. | | | | |
| Sugar-cane jaggory Arrack in bottles ... 35° U. P. | | | | |
| D. D. Rum ... ... 25° U. P. | | | | |

3. I enclose.....for Rs. 5,000 as required by para 6 of the said notification.

I beg to remain